



## **CAGAMAS CONCLUDES MALAYSIA'S LARGEST SUKUK COMMODITY MURABAHAH DEAL FOR THE YEAR**

**Kuala Lumpur, 28 October 2013** – Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, successfully concluded the country's largest Sukuk Commodity Murabahah issuance amounting to RM4.2 billion this week.

The first issuance, which was upsized to RM3.8 billion from the initial issue size of RM2.5 billion due to overwhelming demand, attracted a book size of about RM8.0 billion from a diverse group of domestic and offshore investors resulting in a subscription rate of more than 3.2 times. The tenures offered comprising 1-, 3-, 5-, 7-, 10-, 12-, 15- and 20-year Islamic Medium Term Notes (IMTN) were competitively priced by investors and will be issued on 28 October 2013.

With tenures ranging from 1 to 20 years, the Sukuk will cater to the varying requirements of the investment community. The RM8.0 billion order book represents the largest Private Debt Securities order book for 2013 and is testament to the strength of Cagamas' credit. The issuance has successfully gained investors' confidence to extend their investment horizon and brought back liquidity to the bond market despite the challenging and uncertain market conditions, said Mr Chung Chee Leong, President/Chief Executive Officer of Cagamas.

Strong demand and support from a wide range of investors motivates us to strive harder in fulfilling our role to spearhead the development of the domestic bond market as well as the Islamic financial sector. The transaction also marks the largest single issuance in the Company's 26-year history and brings the total issuance to RM273 billion, including RM41 billion of Sukuk, he added.

The second issuance of RM400 million in tenures of 1 and 3 years will be issued on 29 October 2013. Proceeds from both issuances will be used to fund the purchase of Islamic financing from the financial system.

The Cagamas IMTNs, which will be redeemed at their full nominal value on maturity, are unsecured obligations of the Company, ranking pari passu among themselves and with all other existing unsecured obligations of the Company. They will be listed and tradable under the Scripless Securities Trading System.



### **About Cagamas**

Cagamas Berhad (Cagamas), the National Mortgage Corporation, was established in 1986 to promote the broader spread of house ownership and growth of the secondary mortgage market in Malaysia. It issues debt securities to finance the purchase of housing loans from financial institutions and non-financial institutions. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for houses at an affordable cost.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA debt securities in the market. Since incorporation in 1986, Cagamas has cumulatively issued RM272.8 billion of conventional and Sukuk.

Cagamas debt securities continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAA<sub>ID</sub> and MARC-1/MARC-1<sub>ID</sub> by Malaysian Rating Corporation Berhad, denoting its strong credit quality.

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